
Payroll and Timekeeping Clerks

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Nature of the Work

Payroll and timekeeping clerks perform a vital function: ensuring that employees are paid on time and that their paychecks are accurate. If inaccuracies arise, such as monetary errors or incorrect amounts of vacation time, these workers research and correct the records. In addition, they may perform various other clerical tasks. Automated timekeeping systems that allow employees to enter the number of hours they have worked directly into a computer have eliminated much of the data entry and review by timekeepers and have elevated the job of payroll clerk. In offices that have not automated this function, however, payroll and timekeeping clerks still perform many of the functions listed next.

The fundamental task of *timekeeping clerks* is distributing and collecting timecards each pay period. These workers review employee work charts, timesheets, and timecards to ensure that information is properly recorded and that records have the signatures of authorizing officials. In companies that bill for the time spent by staff, such as law or accounting firms, timekeeping clerks make sure that the hours recorded are charged to the correct job so that clients can be properly billed. These clerks also review computer reports listing timecards that cannot be processed because of errors, and they contact the employee or the employee's supervisor to resolve the problem. In addition, timekeeping clerks are responsible for informing managers and other employees about procedural changes in payroll policies.

Payroll clerks, also called payroll technicians, screen timecards for calculating, coding, or other errors. They compute pay by subtracting allotments, including Federal and State taxes and contributions to retirement, insurance, and savings plans, from gross earnings. Increasingly, computers are performing these calculations and alerting payroll clerks to problems or errors in the data. In small organizations or for new employees whose records are not yet entered into a computer system, clerks may perform the necessary calculations manually. In some small offices, clerks or other employees in the accounting department process payroll.

Payroll clerks record changes in employees' addresses; close out files when workers retire, resign, or transfer; and advise employees on income tax withholding and other mandatory deductions. They also issue and record adjustments to workers' pay because of previous errors or retroactive increases. Payroll clerks need to follow changes in tax and deduction laws, so they are aware of the most recent revisions. Finally, they prepare and mail earnings and tax-withholding statements for employees' use in preparing income tax returns.

In small offices, payroll and timekeeping duties are likely to be included in the duties of a general office clerk, a secretary, or an accounting clerk. However, large organizations employ specialized payroll and timekeeping clerks to perform these functions. In offices that have automated timekeeping systems, payroll clerks perform more analysis of the data, examine trends, and work with computer systems. They also spend more time answering employees' questions and processing unique data.

Employment

Payroll and timekeeping clerks held about 198,000 jobs in 2002. They can be found in every industry, but a growing number work for employment services companies as temporary employees, or for accounting, tax preparation, bookkeeping, and payroll services

firms, which are increasingly taking on the payroll function as a service to other companies. Approximately 16 percent of all payroll and timekeeping clerks worked part time in 2002.

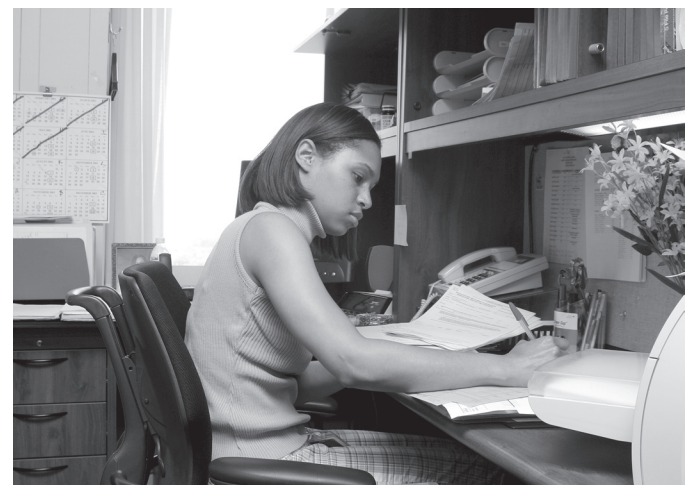
Job Outlook

Employment of payroll and timekeeping clerks is expected to grow more slowly than the average through 2012, due mainly to automation and increased outsourcing. Both of these trends allow payroll workers to handle more payroll recordkeeping functions with fewer people. Nevertheless, a number of job openings will arise in coming years as payroll and timekeeping clerks leave the labor force or transfer to other occupations. Those with payroll certifications indicating that they can handle more complex payroll issues will have an advantage in the job market.

As entering payroll and timekeeping information becomes more simplified, the job itself is becoming more complex, with companies now offering a greater variety of pension, 401(k), and other investment plans to their employees. Also, the growing use of garnishment of wages for child support is adding to the complexity. These transactions must be recorded and kept track of, requiring payroll clerks to implement changes. In contrast to this trend, the other one is that computers are doing much of the recordkeeping, allowing payroll clerks to handle more records. Also, the greater complexity of the job, coupled with the automation of records that is simplifying data entry, is resulting in payroll professionals, not clerks, doing more of the work.

Another factor leading to the slow growth in employment of payroll clerks is that companies are increasingly outsourcing the function of producing payroll to firms that specialize in the task. Many of these companies are data-processing facilities, but accounting firms also are taking on the payroll function to supplement their accounting work. This growing specialization of the payroll function should lead to more productive payroll clerks.

Computerization is still the number one factor that is slowing the demand for payroll and timekeeping clerks. For example, automated timeclocks, which calculate employee hours, allow large organizations to centralize their timekeeping duties in one location. At individual sites, employee hours are increasingly tracked by computer and verified by managers. This information is then compiled and sent to a central office to be processed by payroll clerks, eliminating the need to have these clerks at every site. In addition, the growing use of direct deposit eliminates the need to draft paychecks,



Payroll clerks make sure that workers get paid the correct amount.

because these funds are automatically transferred each pay period. Also, a growing number of organizations are allowing employees to update their payroll records automatically. Furthermore, in smaller organizations, payroll and timekeeping duties are increasingly being distributed to secretaries, general office clerks, or accounting clerks.

Sources of Additional Information

Information on employment opportunities for payroll and timekeeping clerks is available from local offices of the State employment service.

(See the introductory statement on financial clerks for information on working conditions, training requirements, and earnings.)